

STATE OF SOUTH CAROLINA

South Carolina Electric & Gas Company - Annual
Review of the Purchased Gas Adjustments and Gas
Purchasing Policies; Docket No. 2006-5-G

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET
NUMBER: 2006 - 5 - G

(Please type or print)

Submitted by: K. Chad Burgess
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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

- ☐ Emergency Relief demanded in petition ☒ Request for item to be placed on Commission's Agenda expeditiously
- ☐ Other:

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input checked="" type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	

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K. Chad Burgess
Senior Counsel

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August 22, 2007

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2007 AUG 22 PM 2:15
SOUTH CAROLINA
PUBLIC SERVICE COMMISSION**VIA HAND DELIVERY**

The Honorable Charles Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Drive (29210)
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: South Carolina Electric & Gas Company - Annual Review of the Purchased Gas
Adjustments and Gas Purchasing Policies; Docket No. 2006-5-G
Notification of adjustment to cost of gas factors

Dear Mr. Terreni:

By Order No. 2006-679 ("Order"), dated November 13, 2006, issued in the above-referenced docket, the Public Service Commission of South Carolina ("Commission") authorized South Carolina Electric & Gas Company ("SCE&G" or the "Company") to adjust its cost of gas factors monthly pursuant to Paragraph 4 of the Settlement Agreement adopted and approved by the Commission. Pursuant to the approved procedure and before the first billing cycle of each month, SCE&G recalculates its forecast total cost of gas factors to determine whether an adjustment should be made to the current cost of gas factors. If there is no Material Difference (this term is defined in Order Exhibit No. 1) between the newly recalculated gas cost factors and the gas cost factors currently in effect, then SCE&G is to notify the Commission, the South Carolina Office of Regulatory Staff ("ORS"), and the South Carolina Energy Users Committee ("SCEUC") that the existing cost of gas factors will remain in effect for the next billing cycle. If, however, a Material Difference exists, then SCE&G is to notify the Commission, ORS, and the SCEUC of the Company's intent to adjust its gas cost factors beginning with the first billing cycle in the next succeeding month.

In accordance with the approved procedure, the Company has recalculated its forecast total cost of gas factors to be effective with the Company's first billing cycle in September 2007. Based upon the Company's updated calculations, a Material Difference exists between the newly recalculated gas cost factors and the gas cost factors currently in effect. Consequently, SCE&G intends to adjust the cost of gas factors currently in effect beginning with the first billing cycle in September 2007 to reflect the updated gas cost factors.

In compliance with Order No. 2006-679, this letter serves as notification to the Commission that SCE&G will adjust its cost of gas factors beginning with the first billing cycle

(Continued . . .)

The Honorable Charles Terreni

August 22, 2007

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in September 2007 to reflect the recalculated gas cost factors. The new total cost of gas factors will be \$1.13042 per therm for Residential, \$1.02973 per therm for Small/Medium General Service, and \$1.04100 per therm for Large General Service. For ease of reference, below is a table reflecting the current total cost of gas factors and the updated total cost of gas factors.

Customer Classes	Current Total Cost of Gas Factors	Total Cost of Gas Factors effective on and after the first billing cycle in September 2007
Residential	\$1.13762	\$1.13042
Small/Medium General Service	\$1.04760	\$1.02973
Large General Service	\$1.06009	\$1.04100

The updated total cost of gas factors will remain in effect until further updated by the Company pursuant to the methodology set forth in Paragraph 4 of Order Exhibit No. 1.

In support of the new cost of gas factors, enclosed for filing are updated versions of Exhibits A and B to Order Exhibit No. 1. Also enclosed for filing are updated firm rate sheets reflecting the recalculated gas cost factors.

To complete our files, please indicate that these new tariff sheets, including the new rate factors therein are consistent with Order No. 2006-679 by including on the face of each new tariff sheet the customary legend of "Approved For Filing" which will constitute conclusive evidence that the new rates are consistent with the approval granted in the Order and are to be implemented as filed. After the new tariff sheets have been approved for filing, please return copies of the tariff sheets to us.

By copy of this letter and in compliance with the Order, I am also notifying ORS and the SCEUC of the updated cost of gas factors. In addition, I am providing them with copies of updated versions of Exhibits A and B as well as the updated firm rate sheets.

If you have any questions, please do not hesitate to contact me. Thank you in advance for your assistance in this matter.

Very truly yours,



K. Chad Burgess

KCB/kms

Enclosures

cc: Shannon Bowyer Hudson, Esquire

Jeffrey M. Nelson, Esquire

Scott Elliott, Esquire

(All via first-class mail and electronic mail w/enclosures)

Exhibit A

SOUTH CAROLINA ELECTRIC AND GAS COMPANY PROJECTED COMMODITY AND DEMAND COSTS (OVER)/UNDER COLLECTION

	COMM COST PER THERM (COL. 1)	BILLING COMM COST PER THERM (COL. 2)	DIFFERENCE (COL. 3)	FIRM SALES THERMS (COL. 4)	COMMODITY (OVER)/UNDER COLLECTION (COL. 5)	CUMULATIVE COMMODITY (OVER)/UNDER COLLECTION (COL. 6)	DEMAND (OVER)/UNDER COLLECTION (COL. 7)	CUMULATIVE DEMAND (OVER)/UNDER COLLECTION (COL. 8)	TOTAL (OVER)/UNDER COLLECTION (COL. 9)	CUMULATIVE TOTAL (OVER)/UNDER COLLECTION (COL. 10)
BEGINNING BAL. @ August 07										
Sep-07	\$0.59923	\$0.83599	(\$0.23676)	7,587,000	(\$1,796,315)	(\$10,605,966)	\$2,274,458	\$8,194,172	\$478,144	(\$2,411,794)
Oct-07	\$0.92962	\$0.83599	\$0.09363	8,975,000	\$840,308	(\$12,402,280)	\$2,037,375	\$10,468,630	\$2,877,682	(\$1,933,650)
Nov-07	\$1.29497	\$0.83599	\$0.45898	15,266,000	\$7,006,749	(\$4,555,224)	\$338,723	\$12,506,005	\$7,345,471	\$8,289,504
Dec-07	\$1.22643	\$0.83599	\$0.39044	29,624,000	\$11,566,249	\$7,011,025	(\$3,492,117)	\$12,844,728	\$8,074,132	\$16,363,636
Jan-08	\$0.93519	\$0.83599	\$0.09920	42,456,000	\$4,211,623	\$11,222,648	(\$6,985,209)	\$9,352,611	(\$2,773,586)	\$13,590,051
Feb-08	\$0.78233	\$0.83599	(\$0.05366)	39,520,000	(\$2,120,700)	\$9,101,948	(\$6,150,905)	\$2,367,402	(\$8,271,605)	\$5,318,445
Mar-08	\$0.77270	\$0.83599	(\$0.06329)	28,451,000	(\$1,800,706)	\$7,301,243	(\$3,285,107)	(\$7,068,610)	(\$5,085,812)	\$232,633
Apr-08	\$0.65819	\$0.83599	(\$0.17780)	18,029,000	(\$3,205,527)	\$4,095,715	(\$581,618)	(\$7,650,226)	(\$3,787,145)	(\$3,554,512)
May-08	\$0.71408	\$0.83599	(\$0.12191)	10,992,000	(\$1,339,998)	\$2,755,717	\$1,258,175	(\$6,392,051)	(\$81,824)	(\$3,636,335)
Jun-08	\$0.72593	\$0.83599	(\$0.11006)	8,503,000	(\$935,830)	\$1,819,887	\$1,936,051	(\$4,456,000)	\$1,000,221	(\$2,636,114)
Jul-08	\$0.73067	\$0.83599	(\$0.10532)	7,494,000	(\$789,243)	\$1,030,644	\$2,235,286	(\$2,220,715)	\$1,446,043	(\$1,190,072)
Aug-08	\$0.69993	\$0.83599	(\$0.13606)	7,575,000	(\$1,030,644)	(\$0)	\$2,220,715	\$0	\$1,190,071	\$0
Total				224,472,000	\$10,605,966		(\$8,194,173)		\$2,411,793	

Exhibit B

**South Carolina Electric and Gas Company
Development of DCOG, CCOG and Total Cost of Gas Factor**

SEP 07 PROPOSED	Residential	SGS / MGS	LGS
DCOG Factor	\$0.29443	\$0.19374	\$0.20501
CCOG Factor	\$0.83599	\$0.83599	\$0.83599
Total Cost of Gas Factor	\$1.13042	\$1.02973	\$1.04100

RATE 31**GENERAL SERVICE****AVAILABILITY**

Available only to those customers having firm requirements on a peak day of less than 500 therms and using the Company's service for general commercial, industrial, agricultural, religious or charitable purposes. Only for residential where more than one dwelling unit is supplied through one meter. It is not available for resale.

RATE PER MONTH

Basic Facilities Charge:	November - April	\$16.80
	May - October	\$12.63

Plus Commodity Charge:

All therms @ **\$ 1.48292** per therm

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to the commodity charges for the billing months of November-April above will be made in accordance with the Weather Normalization Adjustment.

DEKATHERM BILLING

Customers that have installed chart metering facilities may be billed on a per Dekatherm basis (1 dekatherm = 10 therms). The amount per dekatherm will be determined by multiplying the above by 10.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

UNMETERED GAS LIGHTING PROVISION

Gas used for lighting will be determined based on BTU ratings of fixtures installed and will be billed the commodity charges listed above.

SEASONAL BLOCK CHARGE

A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premise within a 12 month period. This is commonly referred to as seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated above. In determining the months of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional charge of \$20.00 will be added to the charges as calculated above.

ADJUSTMENT FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$1.02973 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. The peak day requirement contained in the Availability will be determined in the same manner as the determination of the category for curtailment of retail customers. A separate contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

RATE 32V

RESIDENTIAL VALUE SERVICE

(Page 1 of 2)

AVAILABILITY

This rate schedule is only available to residential customers that meet the special provisions as listed below and are using the Company's service in individually metered private residences. For apartments or multi-family structures having not more than two (2) dwelling units, gas service for a central heating system for the entire building may be included in the account of one of the dwelling units. All gas service supplied to the second dwelling unit will be separately metered to comply with the provisions of this rate.

RATE PER MONTH

Basic Facilities Charge: \$8.95

Plus Commodity Charge:

All Therms @ \$ 1.49592 per therm

SPECIAL PROVISIONS

1. This rate schedule is available to those accounts where there is an average usage of at least 10 therms during the billing months of June, July and August. The average usage is derived by combining the therm usage for each of the billing months previously listed and dividing by three.
2. Therm usage during a billing month of other than 30 days, used to determine eligibility under this rate schedule, shall be adjusted to a 30 day billing period by application of a fraction, the numerator of which shall be 30 and the denominator of which shall be the actual number of days in the billing period.
3. The calculation as described in 1. above will be performed annually for each residential account. Accounts not meeting the standards of Rate 32V will be placed on Rate 32S beginning with the billing month of November of each year.
4. Availability of this rate schedule for new premises will be based on reasonably anticipated base load usage. Availability of this rate schedule for new accounts at existing premises will be based on the previous account's usage. If this usage is unavailable, the customer will be initially placed on Rate 32S Residential Standard Service.

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to the commodity charges for the billing months of November-April above will be made in accordance with the Weather Normalization Adjustment.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

UNMETERED GAS LIGHTING PROVISION

Gas used for lighting will be determined based on the BTU rating of fixtures installed and will be billed the commodity charges listed above.

SEASONAL BLOCK CHARGE

A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premise within a 12 month period. This is commonly referred to as seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated above. In determining the months of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional charge of \$20.00 will be added to the charges as calculated above.

RATE 32V

RESIDENTIAL VALUE SERVICE

(Page 2 of 2)

ADJUSTMENT FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$1.13042 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. A separate contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective For Bills Rendered On and After the 1st Billing Cycle of September 2007

RATE 32S**RESIDENTIAL STANDARD SERVICE****AVAILABILITY**

This rate schedule is only available to residential customers that are not eligible for rate schedule 32V Residential Value Service and are using the Company's service in individually metered private residences. For apartments or multi-family structures having not more than two (2) dwelling units, gas service for a central heating system for the entire building may be included in the account of one of the dwelling units. All gas service supplied to the second dwelling unit will be separately metered to comply with the provisions of this rate.

RATE PER MONTH

Basic Facilities Charge:	November - April	\$9.95
	May - October	\$7.95

Plus Commodity Charge:

All Therms @ **\$1.55592** per therm

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to the commodity charges for the billing months of November-April above will be made in accordance with the Weather Normalization Adjustment.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

UNMETERED GAS LIGHTING PROVISION

Gas used for lighting will be determined based on the BTU rating of fixtures installed and will be billed the commodity charges listed above.

SEASONAL BLOCK CHARGE

A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premises within a 12 month period. This is commonly referred to as seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated above. In determining the months of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional charge of \$20.00 will be added to the charges as calculated above.

ADJUSTMENT FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$1.13042 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. A separate contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

RATE 33**MEDIUM GENERAL SERVICE****AVAILABILITY**

Available only to those customers using the Company's service for firm general commercial, industrial, agriculture, religious or charitable purposes and for residential where more than one dwelling unit is supplied through one meter. Also, this rate schedule is only available where there is an average usage of at least 130 therms during the billing months of June, July and August. The average usage is derived by combining the therm usage for each of the billing months previously listed and dividing by three. It is not available for resale.

RATE PER MONTH

Basic Facilities Charge: \$23.39

Plus Commodity Charge: All Therms @ \$ 1.43292 per therm

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to the commodity charges for the billing months of November-April above will be made in accordance with the Weather Normalization Adjustment.

DEKATHERM BILLING

Customers that have installed chart metering facilities may be billed on a per Dekatherm basis (1 dekatherm = 10 therms). The amount per dekatherm will be determined by multiplying the above by 10.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge as stated above.

UNMETERED GAS LIGHTING PROVISION

Gas used for lighting will be determined based on BTU ratings of fixtures installed and will be billed the commodity charges listed above.

SEASONAL BLOCK CHARGE

A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premise within a 12 month period. This is commonly referred to as seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated above. In determining the months of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional charge of \$20.00 will be added to the charges as calculated above.

ADJUSTMENT FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$1.02973 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. A separate contract shall cover each meter at each location. No contract shall be written for less than twelve (12) months.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

RATE 34

LARGE GENERAL SERVICE

AVAILABILITY

Available only to those customers having firm requirements and a maximum daily quantity (MDQ) of at least 50 Dekatherms or greater and using the Company's service for industrial manufacturing or large commercial operations. It is not available for resale service.

MAXIMUM DAILY QUANTITY (MDQ)

The actual MDQ shall be the greatest amount of gas delivered to the customer during any day (10:00 a.m. to 10:00 a.m.) of the current billing month.

RATE PER MONTH

Monthly Demand Charge:

First	50 Dekatherms @	\$519.00
Excess over 50 Dekatherms @		\$6.53 per Dekatherm

Commodity Charge @ \$ 11.7716 per Dekatherm

DETERMINATION OF BILLING DEMAND

(a) Billing Months of November-April:

The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) The contract MDQ; or (3) 50 Dekatherms.

(b) Billing Months of May-October:

The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) 50% of the contract MDQ; or (3) 50% of the highest MDQ occurring during any of the preceding billing months of November-April; or (4) 50 Dekatherms.

MINIMUM CHARGE

The monthly minimum charge shall be the demand charge as determined above.

ADJUSTMENT FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$10.41 per dekatherm. These charges are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Service hereunder shall be provided under a written contract, with a minimum initial term of one year with automatic extensions, unless terminated by either party in accordance with the terms of contract. In the event of a default to the contract, this rate schedule and the General Terms and Conditions will constitute a contract for a term of six months. A separate written contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective For Bills Rendered On and After the 1st Billing Cycle of September 2007

RATE 35

TRANSPORTATION AND STANDBY SERVICE

(Page 1 of 2)

AVAILABILITY

Transportation service is available to any customer who has firm requirements of 50 Dekatherms Maximum daily Quantity (MDQ) or greater and, who owns and delivers gas to the Company at an acceptable point of connection, for delivery by the Company to the customer's regular point of service.

Service will be supplied at the best efforts of the Company and may be restricted from time to time due to operating limitations on the Company's system or from third party restrictions. In the event of such limitations, the transportation service is subordinate to service under all other rate schedules and may be curtailed or interrupted, normally upon not less than two hours advance notice, or, when necessitated by conditions affecting the Company's gas system, upon less than two hours advance notice.

RATE PER MONTH

Transportation Service

Monthly Demand Charge:

First	50 Dekatherms @	\$519.00	
Excess over	50 Dekatherms @	\$6.53	per Dekatherm
Commodity Charge @		\$ 1.3495	per delivered Dekatherm

DETERMINATION OF BILLING DEMAND

(a) Billing Months of November-April:

The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) The contract MDQ; or (3) 50 Dekatherms.

(b) Billing Months of May-October:

The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) 50% of the contract MDQ; or (3) 50% of the highest MDQ occurring during any of the preceding billing months of November-April; or (4) 50 Dekatherms.

Standby Service

In addition to the demand charges for transportation service the following charges will apply for gas supplied by the Company.

(a) Billing Months of November-April:

The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) The contract MDQ; or (3) 50 Dekatherms.

Demand Charge @	\$6.00	per Dekatherm
Commodity Charge @	\$ 11.7716	per Dekatherm

(b) Billing Months of May-October:

Demand Charge @	None	
Commodity Charge @	\$ 11.7716	per Dekatherm

MINIMUM CHARGE

The monthly minimum charge shall be the demand charges as determined above.

ADJUSTMENT FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$10.41 per dekatherm. These charges are subject to adjustment by order of the Public Service Commission of South Carolina.

DELIVERED GAS QUANTITY

When separate metering is not feasible, the Company shall assume for billing purposes, unless otherwise agreed to, that such metered volumes reflect deliveries under this rate schedule prior to gas received under any other rate schedule.

The quantity of transportation gas received into the Company's system for the customer's account to be delivered to the customer by the Company shall be reduced by 3% in measurement for line loss and unaccounted for gas.

RATE 35

TRANSPORTATION AND STANDBY SERVICE

(Page 2 of 2)

DELIVERED GAS QUANTITY

The volume of gas received on a daily basis for customer's account may not equal the volume, less shrinkage, delivered to the customer. The result will be deemed an imbalance. Customer's account will be reviewed at the end of each month, or on termination of Transportation Service or curtailment or discontinuance thereof. If the imbalance is such that the customer has received more gas than was delivered to the Company during the period under review, customer shall be billed for such as standby service. If the imbalance is such that the customer has received less gas than was delivered to the Company, the Company may exercise one of two options, in its sole discretion. The Company may: (1) deliver the excess gas to the customer, over the next calendar month succeeding the review, at such times as the Company shall determine in its sole discretion; or (2) buy excess gas at Company's lowest delivered purchase price in that month from any of Company's suppliers.

LIABILITY

The Company shall not be liable for curtailment of service under this rate schedule or loss of gas of the customer as a result of any steps taken to comply with any law, regulation, or order of any governmental agency with jurisdiction to regulate, allocate or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation, or order.

Gas shall be and remain the property of the customer while being transported and delivered by the Company. The customer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the Company.

The Company shall not be liable for any loss to the customer arising from or out of service under this rate schedule, including loss of gas in the possession of the Company or any other cause, except gross or willful negligence of the Company's own employees or agents. The Company reserves the right to commingle gas of the customer with other supplies.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

The customer shall execute an Agreement of Service with the Company which shall specify the maximum daily volume of gas to be transported, the period of time that the Company will receive such gas, and all conditions under which delivery to the Company will be accepted and delivery to the customer will be made. The customer must provide the Company with all necessary documentation of ownership and authorization required by any regulatory body with jurisdiction.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

ANNUAL NOMINATION

Customers must elect to receive a) Transportation Service only, b) Transportation Service with Standby Service, or c) Standby Service only for each applicable period. Such elections must be made to the Company in writing by October 15th of each year to be effective for each month during the period November 1st to October 31st following. New customers under this tariff shall elect volumes at the time their service contract becomes effective. If no prior election has been made then the customer will receive Standby Service only. If any customer fails to make a timely election, then the prior period election will carry over for the following period. All elections shall be binding for the duration of the November 1st to October 31st period and may not be revoked, suspended or modified by the Customer.

Effective For Bills Rendered On and After the 1st Billing Cycle of September 2007

RATE 36

GAS LIGHTING

AVAILABILITY

EFFECTIVE FOR BILLS RENDERED ON AND AFTER THE FIRST BILLING CYCLE OF NOVEMBER 2005 THIS SCHEDULE IS CLOSED AND NOT AVAILABLE TO ANY NEW STRUCTURE OR APPLIANCE.

RATE

All lighting service where fixtures are mounted on Company's ornamental poles which are a part of Company's distribution system will be charged for at the following rate per light.

<u>SIZE</u>	<u>Lamp Charges per Month</u>	<u>Average Therms Usage per Month</u>
Two Mantle fixture complete	\$ 28.03	15
Three Mantle fixture complete	\$ 37.65	22
Four Mantle fixture complete	\$ 47.47	29

ADJUSTMENT FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$1.13042 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

Service hereunder shall be provided under written contract, with the initial term of contract of five years and, there after, for one-year periods until terminated by either party on ninety days written notice.

SPECIAL PROVISIONS

The company will furnish, erect, operate and maintain all necessary equipment in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between such non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

RIDER TO RATES 31, 32V, 32S AND 34

SERVICE FOR AIR CONDITIONING

(Page 1 of 2)

AVAILABILITY

EFFECTIVE FOR BILLS RENDERED ON AND AFTER THE FIRST BILLING CYCLE OF NOVEMBER 2005 THIS SCHEDULE IS CLOSED AND NOT AVAILABLE TO ANY NEW APPLIANCE.

This rider is available to those customers which have installed and are regularly operating a gas-fired central air cooling system or have installed and are regularly operating a gas-fired central combination air cooling and heating system. Service under this rider shall be available subject to the specifications below at customer's request and with Company certification of customer's installed gas-fired central air cooling system or gas-fired central combination air cooling and heating system. It is not available for resale service. At the company's discretion, service offered under this rider may be limited and applied only to those customers currently receiving service under this rider.

INDUSTRIAL AND COMMERCIAL, RATES 31, 33 AND 34

METERING

The volume of gas used for service under this rider will be determined by separate metering equipment installed by the Company. All costs associated with the separate metering are borne by the customer.

Available to those customers qualifying for service under General Service Rates 31 & 33.

SPECIFICATION A - Customer with gas-fired cooling systems.

RATE PER MONTH
(All Months)

Basic Facilities Charge: \$14.72

Commodity Charge:
All therms @ \$ 1.13080 per therm

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$1.02973 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

SPECIFICATION B - Customer with gas-fired Central combination air cooling and heating systems.

RATE PER MONTH
(During the Billing Months of May through October)

Basic Facilities Charge: \$14.72

Commodity Charge:
All therms @ \$ 1.13080 per therm

ADJUSTMENT FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$1.02973 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

DEKATHERM BILLING

Customers that have installed chart metering facilities may be billed on a per Dekatherm basis (1 Dekatherm = 10 therms). The amount per Dekatherm will be determined by multiplying the above rates by 10.

Available to those customers qualifying for service under Large General Service Rates 34.

Rate 34G - Customer with gas-fired Central combination air cooling and heating systems.

RATE PER MONTH
(All Months)

Commodity Charge:
All therms @ \$ 1.27953 per therm

ADJUSTMENT FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$1.041 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

RIDER TO RATES 31, 32V, 32S AND 34

SERVICE FOR AIR CONDITIONING

(Page 2 of 2)

DEKATHERM BILLING

Customers that have installed chart metering facilities may be billed on a per Dekatherm basis (1 Dekatherm = 10 therms). The amount per Dekatherm will be determined by multiplying the above rates by 10.

RESIDENTIAL RATES 32V & 32S

Available only to residential customers qualifying for service under Firm Residential Service Rate 32V & 32S and having a gas-fired central air cooling system or gas-fired central combination air cooling and heating system using the Company's service in private residences. For apartments or multi-family structures having not more than two (2) dwelling units, gas service for a gas-fired central air cooling system or a gas-fired central combination air cooling and heating system for the entire building may be included in the account of one of the dwelling units. All gas service supplied to the second dwelling unit will be separately metered to comply with the provisions of Rate 32V & 32S.

SPECIFICATION B - Customer with gas-fired central combination air cooling and heating systems.**RATE PER MONTH**

(All Months)

Basic Facilities Charge: \$8.95

Commodity Charge:

All therms @ \$1.30140 per therm

ADJUSTMENTS FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$1.13042 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to commodity charges for the billing months of November - April will be made in accordance with the Weather Normalization Adjustment.

GENERAL**MINIMUM CHARGE**

The monthly minimum charge shall be the basic facilities charge as stated above.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

TERMS OF CONTRACT

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. A separate contract shall cover each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective For Bills Rendered On and After the 1st Billing Cycle of September 2007